

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2011 OF THE CONDITION AND AFFAIRS OF THE

Farmers and Mechanics Mutual Ins. Co. of WV

NAIC Group Code 4339	, 4339	NAIC Company Code 36315	Employer's ID Number 55-0168389	
(Current Period)	(Prior Period)			
Organized under the Laws of West Virginia		, State of Domi	icile or Port of Entry West Virginia	
Country of Domicile US				
ncorporated/Organized December 18, 1877	,	Commenced Busine	ess <u>March 23</u> , 1878	
Statutory Home Office 25 Administrative Driv	e, Martinsburg, West Virgini	a 25404		
		(Street and Number, City or Town, State	and Zip Code)	
Main Administrative Office 25 Administrative	Drive, Martinsburg, West Vi	rginia 25404	304-263-0	0809
		(Street and Number, City or Town, State and Zip Co	de) (Area Co	ode) (Telephone Number)
Mail Address P.O. Box 1917, Martinsburg, We	st Virginia 25402-1917			
		(Street and Number or P.O. Box, City or Tow	n, State and Zip Code)	
Primary Location of Books and Records	25 Administrative Drive, Mar	tinsburg, West Virginia 25404		
-	304-263-0809 (Area Code) (Telept	(Street and Number, City or none Number)	Town, State and Zip Code)	
nternet Website Address www.fmiwv.com				
Statutory Statement Contact Daniel Ray Of	ito		304-596-9927	
		(Name)	. ,	ne Number) (Extension)
dotto@fmiwv.com			304-263-9184	
	(E-N	Mail Address)	(Fax Nu	nber)

OFFICERS

EDWIN DENNIS MCCORMICK (President) MARTIN BERKELEY FRYE (Secretary) JOHN WAYNE LANCASTER (Treasurer)

OTHER OFFICERS

DANIEL RAY OTTO STACEY MARIE MATTESON FOSTER LEE SIRBAUGH, JR

DIRECTORS OR TRUSTEES

JAMES P WHITACRE

JAMES P WHITACRE

DONALD THEODORE ANDERSON, (Emeritus)

JAMES WAYNE DAILEY, II

KENNETH L BANKS

CHARLES ALBERT HENSELL

MARTIN BERKELEY FRYE

JOHN WAYNE LANCASTER

GORDON ALGER LUTZ, (Emeritus)

EDWIN DENNIS MCCORMICK

ANTHONY JOSEPH PETRUCCI

WALTER BENJAMIN RIDENOUR, (Emeritus)

BERNARD LEE SNYDER

VICKI JEAN SHOCKEY FULK

State of	West Virginia	_1
County of	Berkeley	_ } SS

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

EDWIN DENNIS MCCORMICK President	MARTIN BERKELEY FRYE Secretary		JOHN WAYNE LANCASTER Treasurer
h	a. Is th	is an original filing?	Yes (X) No ()
ubscribed and sworn to before me this day of February, 2012	b. If no	1. State the amendment i	number
		2. Date filed	
		3. Number of pages attac	hed

ASSETS

			Current Year			Prior Year
Section Sect			1	2		4
2. Stocks (Schools D):			Assets		Assets (Column 1	
2. Stocks (Schools D):	1.	Bonds (Schedule D)	31,979,871		31.979.871	27.280.271
2.1 Preferre todas	2.				. ,,.	,,
2. 2 Commoniscies			698.075		698.075	699.525
3. Nortgop laws on real ectate (Schoolsh B): 3.1 Feet from 3.2 Other per feet from 4. Peak estates (Schoolsh A): 4.1 Proporties copiedly the company (less \$ excumtrances) 1.50,30 1.5			·		·	·
3.1 That lean 2.2 One from final factor 2.2 One from final factor 4.1 Properties coupled by the company (lean \$	3.				0,2.0,002	
3 2 Diver hour hall less 4. Real actions (School and A): 4. Reported solidaria (School and A): 5. Care (School A): 5. Care (School A): 5. Care (School A): 5. Care (School A): 6. Care (School A): 6. Care (School A): 6. Care (School A): 6. Residualities for securities 6. Residualities and securities and securities and securities 6. Residualities and securities 6. Residualities and securities and sec		, , ,				
Real statist Standard Stand						
4.1 Properties back for the production of income (less 5 ensurathrances) 4.2 Properties back for the production of income (less 5 ensurathrances) 4.3 Properties back for the production of income (less 5 ensurathrances) 5. Card (S	4.					
4.2 Preparties held for the production of income (see \$			1.512.813		1.512.813	1.516.361
4. 3. Progenies half for size (less 3 excumbrances) 5. Care 15						
Second Science Seco						
7. Derivatives (Schoolan DB)	5.	Cash (\$ 237 184 Schedule F - Part 1) cash equivalents (\$ 480 249 Schedule F - Part 2)				3,756,216
Differ invested assets (Schadule BA)	6.	Contract loans (including \$ premium notes)				
Receivables for securities	7.	Derivatives (Schedule DB)				
10. Securities kinding reinvested colleteral assets (Line 1 through Line 11) 43,229,100 43,229,100 39,858,951 12. Stationis, cash and invested assets (Line 1 through Line 11) 43,229,100 43,229,100 39,858,951 13. Title plants lass \$ changed off (for Title insurers cony) 43,229,100 43,229,100 39,858,951 13. Title plants lass \$ changed off (for Title insurers cony) 45,229,100 45,229,100 46,229,100 39,858,951 13. Title plants lass \$ changed off (for Title insurers cony) 45,229,100 39,858,951 15. Premiums and considerations: 15. Premiums and considerations: 15. Uncollected premiums and agent's bilances in the course of collection 253,102 253,102 233,800 20,983,322 2,986,332 2,986,332 2,986,332 2,986,332 2,986,332 2,986,332 2,986,332 2,986,332 2,986,332 2,986,332 2,986,332 2,986,332 2,986,332 30,586 14,362 16,586 16,5	8.	Other invested assets (Schedule BA)				
1. Aggregate write ins for invested assets	9.	Receivables for securities				
12 Subtotals, cash and invested assets (Line 1 through Line 11) 43,229,130 43,229,130 39,035,491 13. Title plants less \$ charged off (for Title insures only) 43, investment income due and accrused 356,880 356,880 301,771 15. Premiums and considerations: 15.1 Uncertaint frome due and accrused 253,102 253,102 303,884 15.2 Deferred premiums and agental balances in the course of collection 253,102 253,02 23,863,322 2,963,332 15.3 Deferred premiums and agental balances in the course of collection 258,002 2,963,332	10.	Securities lending reinvested collateral assets (Schedule DL)				
13. Tifle plants less \$charged off (for Title insurers crivy) 14. Investment income due and accrued. 15. Premiums and considerations: 15.1 Unclocated premiums and agent's balances and installaments booked but defened and not yet due 15.2 Deferred premiums, agent's balances and installaments booked but defened and not yet due 15.3 Accrued retrisopective premiums 15.3 Accrued retrisopective premiums 16.3 Accrued retrisopective premiums 16.4 Accrued retrisopective premiums 16.5 Premiums recoverable from ministrans 16.5 Funds hald by or deposited with ministrand companies 16.6 Funds hald by or deposited with ministrand companies 16.7 Amounts recoverable from ministrans 16.8 Funds hald by or deposited with ministrand companies 16.9 Other amounts receiveable under reinsurance contracts 17. Amounts receiveable under reinsurance contracts 18.1 Current federal and foreign innome tax recoverable and interest thereon 19.1 Current federal and foreign innome tax recoverable and interest thereon 19.2 Net deferred tax asset 19.3 Custantly finds receiveable or on deposit 20. Electronic data processing equipment and software 21. Furniture and equipment, including health care definery assets (\$	11.	Aggregate write-ins for invested assets				
Investment income due and accrued 356,880 356,880 311,171 Premiums and considerations:	12.	Subtotals, cash and invested assets (Line 1 through Line 11)	43,229,130		43,229,130	39,835,491
15. 1 Uncolected premiums and agent's balances in the course of collection	13.	Title plants less \$				
15.1 Uncollected premiums and agents' balances and installments booked but deferred and not yet due (including \$ gents' balances and installments booked but deferred and not yet due (including \$ gents' balances and installments booked but deferred and not yet due (including \$ gents' balances and installments booked but deferred and not yet due (including \$ gents' balances and installments booked but deferred and not yet due (including \$ gents' balances and installments booked but deferred and not yet due (including \$ gents' balances and installments booked but deferred and not yet due (including \$ gents' balances and installments booked but deferred and not yet due (including \$ gents' balances and installments booked but deferred and not yet due (including \$ gents' balances and installments booked but deferred and not yet due (including \$ gents' balances and installments booked but deferred and not yet due (including \$ gents' balances and installments booked but deferred and not yet due (including \$ gents' balances and installments booked but deferred and not yet due (including \$ gents' balances and installments booked but deferred and not yet due (including \$ gents' balances and installments booked but deferred and not yet due (including \$ gents' balances and including health care deposited with reinsured compares. 10.1 Current federal and foreign income tax recoverable and interest thereon	14.	Investment income due and accrued	356,880		356,880	301,171
15.2 Deferred premiums, agents' belances and installments booked but deferred and not yet due (notuding \$ earned but unbilled premiums) 2,986,322 2,986,322 2,986,322 2,916,338 15.3 Accrued retrospective premiums 16. Reinsvarance: 16.1 Annunis recoverable premiums 16.1 Annunis recoverable from reinsurers 305,836 305,836 14,382 16.2 Funds held by or deposited with reinsured companies 16.3 Other amounts recoverable under reinsurance contracts 17. Annunis recoverable under reinsurance contracts 17. Annunis recoverable under reinsurance contracts 18.1 Carrent federal and fiverign incore tax recoverable and interest thereon 47,707 219,518 17,707 219,518 17,707 219,518 17,707 219,518 17,707 219,518 17,707 219,518 17,707 219,518 17,707 219,518 17,707 219,518 17,707,707 219,518 17,707	15.	Premiums and considerations:				
(including \$ earned but unbilled premiums) 2,986,322 2,986,322 2,986,322 2,916,338 15.3 Accrued retrospective premiums 6. Reinsurance: 16.1 Amounts recoverable from reinsurers 335,836 335,836 335,838 44,832 16.2 Funds held by or deposited with reinsured companies 6.3 Other amounts receivable under reinsurance contracts 7. Amounts receivable relating to uninsured plans 17. Amounts receivable relating to uninsured plans 18.1 Current federal and foreign income tax recoverable and interest thereon 47,707 47,707 219,616 18.2 Net deferred tax asset 1,122,722 344,748 777,974 758,715 19. Guaranty funds receivable or on deposit 2. Betcrionic data processing equipment and software 117,887 341,467 257,61		15.1 Uncollected premiums and agents' balances in the course of collection	253,102		253,102	130,984
16. Reinsurance: 16.1 Amounts recoverable from reinsurers 16.3 Other amounts receivable under reinsurance contracts 16.3 Other amounts receivable under reinsurance contracts 17. Amounts receivable relating to uninsured plans 18.1 Current federal and foreign income tax recoverable and interest thereon 18.1 Current federal and foreign income tax recoverable and interest thereon 18.2 Net deferred tax asset 18.3 Guarenty funds receivable or on deposit 19. Guarenty funds receivable or on deposit 20. Electronic data processing equipment, including health care delivery assets (\$ 267,617 267,617 27,617		15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$	2,986,322		2,986,322	2,916,336
16.1 Amounts recoverable from reinsurers 16.2 Funds held by or deposited with reinsured companies 16.3 Other amounts receivable under reinsurance contracts 17. Amounts receivable releting to uninsured plans 18.1 Current federal and foreign income tax recoverable and interest thereon 18.1 Current federal and foreign income tax recoverable and interest thereon 18.1 Current federal and foreign income tax recoverable and interest thereon 18.2 Net deferred tax asset 19. Secondary funds receivable or on deposit 19. Guaranty funds receivable or on deposit 19. Electronic data processing equipment and software 117,887 117,8		15.3 Accrued retrospective premiums				
16.2 Funds held by or deposited with reinsured companies 16.3 Other amounts receivable under reinsurance contracts 17. Amounts receivable relating to uninsured plans 18.1 Current federal and foreign income tax recoverable and interest thereon 47,707 47,707 219,618 18.2 Net deferred tax asset 1,122,722 344,748 777,974 758,715 19. Guaranty funds receivable or on deposit 117,887 117,887 43,467 20. Electronic data processing equipment and software 117,887 177,974 788,715 21. Furniture and equipment, including health care delivery assets (\$ 267,617 267,617 267,617 276,617 277,974 278,715 22. Net adjustment in assets and liabilities due to foreign exchange rates 23. Receivables from parent, subsidiaries and affiliates 67,917 24. Health care (\$) and other amounts receivable 25. Aggregate write-ins for other than invested assets 67,917 25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25) 48,722,757 646,814 48,075,943 44,310,955 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25) 48,722,757 646,814 48,075,943 44,310,955 28. Total (Line 26 and Line 27) 48,722,757 646,814 48,075,943 44,310,955 28. Total (Line 26 and Line 27) 48,722,757 646,814 48,075,943 44,310,955 28. Total (Line 26 and Line 27) 48,722,757 646,814 48,075,943 44,310,955 29. Total (Line 26 and Line 27) 48,722,757 646,814 48,075,943 44,310,955 20. Total (Line 26 and Line 27) 48,722,757 646,814 48,075,943 44,310,955 20. Total (Line 26 and Line 27) 48,722,757 646,814 48,075,943 44,310,955 20. Total (Line 26 and Line 27) 48,722,757 646,814 48,075,943 44,310,955 20. Total (Line 26 and Line 27) 48,722,757 646,814 48,075,943 44,310,955 20. Total (Line 26 and Line 27) 48,722,757 646,814 48,075,943 44,310,955 20. Total (Line 26 and Line 27) 48,722,757 646,814 48,075,943 44,310,955 20. Total (Line 26 and Line 27) 48,722,757 646,814 48,075,943 44,310,955 20. Line (Line 26 and Line 27) 48,722,757 646,814 48,075,943 44,310,955 20. Line (Line 26 and Line 27) 48,72	16.	Reinsurance:				
16.3 Other amounts receivable under reinsurance contracts 17. Amounts receivable relating to uninsured plans 18.1 Current federal and foreign income tax recoverable and interest thereon		16.1 Amounts recoverable from reinsurers	305,836		305,836	14,382
17. Amounts receivable relating to uninsured plans 18.1 Current federal and foreign income tax recoverable and interest thereon 19.1 Current federal and foreign income tax recoverable and interest thereon 19.2 Net deferred tax asset 1,122,722 344,748 777,774 758,715 19. Guaranty funds receivable or on deposit 20. Electronic data processing equipment and software 117,887 117,887 117,887 43,467 21. Furniture and equipment, including health care delivery assets (\$		16.2 Funds held by or deposited with reinsured companies				
18.1 Current federal and foreign income tax recoverable and interest thereon		16.3 Other amounts receivable under reinsurance contracts				
18.2 Net deferred tax asset	17.	Amounts receivable relating to uninsured plans				
19. Guaranty funds receivable or on deposit 20. Electronic data processing equipment and software	18.1	Current federal and foreign income tax recoverable and interest thereon	47,707		47,707	219,618
20. Electronic data processing equipment and software 117,887 117,887 43,467 21. Furniture and equipment, including health care delivery assets (\$	18.2	Net deferred tax asset	1,122,722	344,748	777,974	758,715
21. Furniture and equipment, including health care delivery assets (\$) 267,617 267,617 267,617 22. Net adjustment in assets and liabilities due to foreign exchange rates	19.	Guaranty funds receivable or on deposit				
22. Net adjustment in assets and liabilities due to foreign exchange rates 87,917 23. Receivables from parent, subsidiaries and affiliates 87,917 24. Health care (\$	20.	Electronic data processing equipment and software	117,887		117,887	43,467
23. Receivables from parent, subsidiaries and affiliates 87,917 24. Health care (\$) and other amounts receivable 35,554 34,449 1,105 2,874 25. Aggregate write-ins for other than invested assets 35,554 34,449 1,105 2,874 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25) 48,722,757 646,814 48,075,943 44,310,955 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts 48,722,757 646,814 48,075,943 44,310,955 DETAILS OF WRITE-INS 1101. 1102. 1103. 1103. 1103. 1103. 1103. 1103. 1103. 1103. 1103. 1103. 1103. 1104. 1104. 1104. 1104. 1104. 1104. 1104. 1105. <	21.	Furniture and equipment, including health care delivery assets (\$)	267,617	267,617		
24. Health care (\$	22.	Net adjustment in assets and liabilities due to foreign exchange rates				
25. Aggregate write-ins for other than invested assets 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25) 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts 28. Total (Line 26 and Line 27) 38. Total (Line 26 and Line 27) 48,722,757 48,075,943 48,075,94	23.	Receivables from parent, subsidiaries and affiliates				87,917
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	24.	Health care (\$) and other amounts receivable				
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts 48,722,757 646,814 48,075,943 44,310,955 DETAILS OF WRITE-INS 1101. 1102. 1103. 1198. Summary of remaining write-ins for Line 11 from overflow page 1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above) 1,105 1,105 2,874 2501. Equity in NAMICO Pool 1,105 34,449 34,449 2503. 3598. Summary of remaining write-ins for Line 25 from overflow page 34,449 34,449	25.	Aggregate write-ins for other than invested assets	35,554	34,449		2,874
28. Total (Line 26 and Line 27) 48,722,757 646,814 48,075,943 44,310,955 DETAILS OF WRITE-INS 1101. 1102. 1103. 1198. Summary of remaining write-ins for Line 11 from overflow page 1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above) 2501. Equity in NAMICO Pool 1,105 1,105 2,874 2502. Prepaid Expenses 34,449 34,449 2503. 2598. Summary of remaining write-ins for Line 25 from overflow page	26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	48,722,757	646,814	48,075,943	44,310,955
DETAILS OF WRITE-INS 1101. 1102. 1103. 1198. Summary of remaining write-ins for Line 11 from overflow page 1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above) 2501. Equity in NAMICO Pool 1, 105 1, 105 2,874 2502. Prepaid Expenses 34,449 34,449 2503. 2598. Summary of remaining write-ins for Line 25 from overflow page 2598. Summary of remaining write-ins for Line 25 from overflow page 2598. Summary of remaining write-ins for Line 25 from overflow page 2501. 2,874	27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
DETAILS OF WRITE-INS	28.	Total (Line 26 and Line 27)	48,722,757	646,814	48,075,943	44,310,955
1101	DETAI					
1103. 1198. Summary of remaining write-ins for Line 11 from overflow page 1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above) 2501. Equity in NAMICO Pool 1, 105 1, 105 2,874 2502. Prepaid Expenses 34,449 34,449 2503. 34,250 34,449 34,449 2598. Summary of remaining write-ins for Line 25 from overflow page 598 34,449 34,449	1101.	· · · · · · · · · · · · · · · · · ·				
2501. Equity in NAMICO Pool 1, 105 1, 105 2,874 2502. Prepaid Expenses 34,449 34,449 2503. 34,449 34,449 2598. Summary of remaining write-ins for Line 25 from overflow page 34,449 34,449	1103. 1198.	Summary of remaining write-ins for Line 11 from overflow page Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)				
2503. 2598. Summary of remaining write-ins for Line 25 from overflow page	2501.	Equity in NAMICO Pool		0.4.40		2,874
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above) 35,554 34,449 1,105 2,874	2503.	The second secon				
	2598. 2599.	Summary or remaining write-ins for Line 25 from overflow page Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	35,554		1,105	2,874

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	2,287,976	2,451,682
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Columnn 6)		
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	670,402	685,796
4.	Commissions payable, contingent commissions and other similar charges	1,027,147	1,022,315
5.	Other expenses (excluding taxes, licenses and fees)	170,711	187,763
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)		2,773
7.1	Current federal and foreign income taxes (including \$ on realized capital gains (losses))		
7.2	Net deferred tax liability		
8.	Borrowed money \$ and interest thereon \$		
9.	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$	10,070,106	9,740,960
10.	Advance premium	221, 187	238,044
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	33,330	57,474
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14.	Amounts withheld or retained by company for account of others		3,250
15.	Remittances and items not allocated		
16.	Provision for reinsurance (Schedule F, Part 7)		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates	30,353	
20.	Derivatives		
21.	Payable for securities		
22.	Payable for securities lending		
23.	Liability for amounts held under uninsured plans		
24.	Capital notes \$		
25.	Aggregate write-ins for liabilities		
26.	Total liabilities excluding protected cell liabilities (Line 1 through Line 25)	14,512,460	14,390,057
27.	Protected cell liabilities		
28.	Total liabilities (Line 26 and Line 27)	14,512,460	14,390,057
29.	Aggregate write-ins for special surplus funds		
30.	Common capital stock		
31.	Preferred capital stock		
32.	Aggregate write-ins for other than special surplus funds		
33.	Surplus notes		
34.	Gross paid in and contributed surplus		
35.	Unassigned funds (surplus)	33,563,483	29,920,898
36.	Less treasury stock, at cost:		
	36.1		
	36.2 shares preferred (value included in Line 31 \$)		
37.	Surplus as regards policyholders (Line 29 to Line 35, less Line 36) (Page 4, Line 39)	33,563,483	29,920,898
38.	Totals (Page 2, Line 28, Column 3)	48,075,943	44,310,955
DETAII 2501.	LS OF WRITE-INS		
2502. 2503.			
2598.	Summary of remaining write-ins for Line 25 from overflow page		
2599. 2901.	, , , ,		
2901. 2902. 2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page		
2999. 3201.	, , , ,		
3201. 3202. 3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page Totals (Line 3201 through Line 3203 plus Line 3298) (Line 32 above)		
JZJJ.	ו באמוט לבווים פבט ו מוויסטקוו בווים צבטט אומס בווים צבסט / (דווים אב מויטאפי)		

STATEMENT OF INCOME

	UNDERWRITING INCOME	1	2
	ONDERWIND MODINE	Current Year	Prior Year
1.	Premiums earned (Part 1, Line 35, Column 4) DEDUCTIONS	18,255,794	18,323,743
2.	Losses incurred (Part 2, Line 35, Column 7)	6.649.354	8.772.990
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)		
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)		
5.	Aggregate write-ins for underwriting deductions	, ,	, ,
6.	Total underwriting deductions (Line 2 through Line 5)		
7.	Net income of protected cells		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)		
0.		0,040,124	2,200,040
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	1,004,015	1,044,634
10.	Net realized capital gains (losses) less capital gains tax of \$	134,055	68,536
11.	Net investment gain (loss) (Line 9 plus Line 10)	1,138,070	1,113,170
	OTHER INCOME		
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered \$, amount charged off \$ 22,903)	(22,903)	(821
13.	Finance and service charges not included in premiums	144,124	158,263
14.	Aggregate write-ins for miscellaneous income		(4,687
15.	Total other income (Line 12 through Line 14)	121,221	152,755
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes		
	(Line 8 plus Line 11 plus Line 15)		
17.	Dividends to policyholders		
18.	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	5.107.415	3.505.765
19.	Federal and foreign income taxes incurred		
	Net income (Line 18 minus Line 19) (to Line 22)		
	100 mosmo (2mo to minuo 2mo to) (10 2mo 22)		
	CAPITAL AND SURPLUS ACCOUNT		
	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	29,920,898	26,800,793
22.	Net income (from Line 20)	3,530,891	2,596,791
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of \$	188,620	519,146
25.	Change in net unrealized foreign exchange capital gain (loss)		
26.	Change in net deferred income tax	(12,458)	(236,827
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3)	(64,470)	240,995
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29.	Change in surplus notes		
30.	Surplus (contributed to) withdrawn from protected cells		
31.	Cumulative effect of changes in accounting principles		
32.	Capital changes: 32.1 Paid in 32.2 Transferred from surplus (Stock Dividend)		
າາ	32.3 Transferred to surplus		
33.	Surplus adjustments: 33.1 Paid in 33.2 Transferred to capital (Stock Dividend) 33.3 Transferred from capital		
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders		
36.	Change in treasury stock (Page 3, Line 36.1 and Line 36.2, Column 2 minus Column 1)		
37.	Aggregate write-ins for gains and losses in surplus		
38.	Change in surplus as regards policyholders for the year (Line 22 through Line 37)	3,642,583	3,120,105
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	33,563,481	29,920,898
DET/	ILS OF WRITE-INS		
0502			
0503 0598	. Summary of remaining write-ins for Line 5 from overflow page Totals (Line 0501 through Line 0503 plus Line 0598) (Line 5 above)		
1402	Loss on Fixed Asset Disposal		(4,687
1403			
1499	. Summary of remaining write-ins for Line 14 from overflow page . Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)		(4,687
370° 370°			
3703 3798	Summary of remaining write-ins for Line 37 from overflow page		
3799	. Totals (Line 3701 through Line 3703 plus Line 3798) (Line 37 above)		

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	18,351,835	18,011,567
2.	Net investment income Miscellaneous income		
٠.		121,221	
4.	Total (Line 1 through Line 3)	19,624,248	19,353,816
5. 6.	Benefit and loss related payments Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	7,104,514	8,650,006
7.	Commissions, expenses paid and aggregate write-ins for deductions Dividends paid to policyholders	7 , 787 , 455	7,160,067
8. 9.	Federal and foreign income taxes paid (recovered) net of \$	1,473,672	838,414
_		40.005.044	40.040.40
).	Total (Line 5 through Line 9)	16,365,641	16,648,487
1	Net cash from operations (Line 4 minus Line 10)	3 258 607	2,705,329
		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	_,,
	Cash from Investments		
2.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds 12.2 Stocks		
	12.3 Mortgage loans 12.4 Real estate		
	12.5 Other invested assets		
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments 12.7 Miscellaneous proceeds		
	12.8 Total investment proceeds (Line 12.1 through Line 12.7)	19,446,296	16,463,411
3	Cost of investments acquired (long-term only):		
•	13.1 Bonds		
	13.2 Stocks		
	13.4 Real estate 13.5 Other invested assets		
	13.6 Miscellaneous applications		
	13.7 Total investments acquired (Line 13.1 through Line 13.6)	22 759 616	17 20/ 507
	13.1 Total investments adquired (Line 13.1 timough Line 15.0)	25,750,010	17,304,307
4.	Net increase (decrease) in contract loans and premium notes		
5.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(4.312.320)	(921,176
•		(1,012,020)	
	Cash from Financing and Miscellaneous Sources		
6.	Cash provided (applied): 16.1 Surplus notes, capital notes		
	16.2 Capital and paid in surplus, less treasury stock 16.3 Borrowed funds		
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders 16.6 Other cash provided (applied)		(177,060
7	Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	62 026	(177,060
	The Cash Holl financing and miscenaricous sources (Line 10.1 through Line 10.4 minus Line 10.3 plus Line 10.0)		(177,000
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
8.	Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(991,677)	1,607,093
9.	Cash, cash equivalents and short-term investments:	0.750.040	0 440 400
	19.1 Beginning of period 19.2 End of year (Line 18 plus Line 19.1)		2,149,123 3,756,216
ote	e: Supplemental disclosures of cash flow information for non-cash transactions:		
	001 002		
0.0	003		
0.0	004 005		
	0006 0007		
0.0	008 009		
	0010 0010		

PART 1 - PREMIUMS EARNED

	Line of Business	Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Column 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Column 5 Part 1A	4 Premiums Earned During Year (Columns 1 plus 2 minus 3)
1.	Fire	2,960,913	1,562,440	1,580,047	2,943,306
2.	Allied lines	945,489	476,884	506,747	915,626
3.	Farmowners multiple peril	2,601,770	1,206,231	1,328,636	2,479,365
4.	Homeowners multiple peril	8,934,908	4,947,661	5,092,252	8,790,317
5.	Commercial multiple peril	2,223,212	1,131,755	1,149,622	2,205,345
6.	Mortgage guaranty				
8.	Ocean marine				
9.	Inland marine				
10.	Financial guaranty				
11.1	Medical professional liability - occurrence				
11.2	Medical professional liability - claims-made				
12.	Earthquake				
13.	Group accident and health				
14.	Credit accident and health (group and individual)				
15.	Other accident and health				
16.	Workers' compensation				
17.1	Other liability - occurrence				
17.2	Other liability - claims-made				,
	Excess Workers' Compensation				
	Products liability - occurrence				
	Products liability - claims-made				
	19.2 Private passenger auto liability				
	19.4 Commercial auto liability				
21.	Auto physical damage				
22.	Aircraft (all perils)				
23.	Fidelity				
24.	Surety				
26.	Burglary and theft				
27.	Boiler and machinery				
28.	Credit				
29.	International				
30.	Warranty				
31.	Reinsurance - Nonproportional Assumed Property				
32.	Reinsurance - Nonproportional Assumed Liability				
33.	Reinsurance - Nonproportional Assumed Financial Lines				
34.	Aggregate write-ins for other lines of business				
35.	TOTALS				
				, ,	
	NILS OF WRITE-INS				
	WV MINE SUBSIDENCE				
	IDENTITY THEFT				
	SERVICE LINE				
	Summary of remaining write-ins for Line 34 from overflow page				
3499.	Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)	(173,370)	(55,321)	(94,831)	(133,860)

PART 1A-RECAPITULATION OF ALL PREMIUMS

		1	2	3	4	5
	Line of Business	Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned but Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Columns 1 + 2 + 3 + 4
1.	Fire	1,580,047				1,580,047
2.	Allied lines	506,747				506,747
3.	Farmowners multiple peril					
4.	Homeowners multiple peril	5,092,252				5,092,252
5.	Commercial multiple peril					
6.	Mortgage guaranty					
8.	Ocean marine					
9.	Inland marine					
10.	Financial guaranty					
	Medical professional liability - occurrence					
11.2	Medical professional liability - claims-made					
12.	Earthquake					
13.	Group accident and health					
14.	Credit accident and health (group and individual)					
15.	Other accident and health					
16.	Workers' compensation					
17.1	Other liability - occurrence	507,633				507,633
17.2	Other liability - claims-made					
17.3	Excess Workers' Compensation					
18.1	Products liability - occurrence					
18.2	Products liability - claims-made					
19.1,	19.2 Private passenger auto liability					
19.3,	19.4 Commercial auto liability					
21.	Auto physical damage					
22.	Aircraft (all perils)					
23.	Fidelity					
24.	Surety					
26.	Burglary and theft					
27.	Boiler and machinery					
28.	Credit					
29.	International					
30.	Warranty					
31.	Reinsurance - Nonproportional Assumed Property					
32.	Reinsurance - Nonproportional Assumed Liability					
33.	Reinsurance - Nonproportional Assumed Financial Lines					
34.	Aggregate write-ins for other lines of business	(94,831)				(94,831
35.	TOTALS	10,070,106				10,070,106
36.	Accrued retrospective premiums based on experience					
	Earned but unbilled premiums					
	Balance (Sum of Line 35 through Line 37)					
DETAILS	S OF WRITE-INS					
3401.	WV Mine Subsidence					
3402.	Identity Theft Coveage				1	
3403.	Service Line Coverage					
3498.	Summary of remaining write-ins for Line 34 from overflow page					` '
3499.	Totals (Line 3401 through Line 3403 plus Line 3498). (Line 34					
	above)	(94,831)				(94,831)

⁽a) State here basis of computation used in each case. DAILY PRO-RATA METHOD

PART 1B-PREMIUMS WRITTEN

		1	Reinsurand	Reinsurance Assumed Reinsurance Cede		nce Ceded	6 Not Dromiums
	Line of Business	Direct Business (a)	2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	Net Premiums Written Columns 1+2+3-4-5
1.	Fire	3,127,938				167,025	2,960,913
2.	Allied lines	996,514				51,025	945,489
3.	Farmowners multiple peril	2,741,260				139,490	2,601,770
4.	Homeowners multiple peril	9,434,109				499,200	8,934,909
5.	Commercial multiple peril	2,358,187				134,975	2,223,212
6.	Mortgage guaranty						
8.	Ocean marine						
9.	Inland marine						
10.	Financial guaranty						
11.1	Medical professional liability - occurrence						
11.2	Medical professional liability - claims-made						
12.	Earthquake						
13.	Group accident and health						
14.	Credit accident and health (group and individual)						
15.	Other accident and health						
16.	Workers' compensation						
17.1	Other liability - occurrence	992,840				28,581	964,259
17.2	Other liability - claims-made						
17.3	Excess Workers' Compensation						
18.1	Products liability - occurrence						
18.2	Products liability - claims-made						
	. 19.2 Private passenger auto liability						
19.3	19.4 Commercial auto liability			1			
21.	Auto physical damage			1			
22.	Aircraft (all perils)						
23.	Fidelity						
24.	Surety						
26.	Burglary and theft						
27.	Boiler and machinery						
28.	Credit						
29.	International						
30.	Warranty						
31.	Reinsurance - Nonproportional Assumed Property			127,759			127 759
32.	Reinsurance - Nonproportional Assumed Liability	XXX		· ·			,
33.	Reinsurance - Nonproportional Assumed Financial Lines	XXX					
34.	Aggregate write-ins for other lines of business	342,819					(173,370)
04.	Aggregate with inclination of the income of						(110,010)
35.	TOTALS	19,993,667		127,759		1,536,485	18,584,941
	AILS OF WRITE-INS WV Mine Subsidence	91,777				91,777	
3402	Identity Theft Coverage	251,042				192,903	58,139
3403	Service Line Coverage					231,509	(231,509)
3498	Summary of remaining write-ins for Line 34 from overflow page						
3499	Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)	342,819				516,189	(173,370)
	one the company's direct promitime written include promitime recorded on an install						, ,

PART 2 - LOSSES PAID AND INCURRED

<u> </u>	ART 2 - EGGGEG I AID AND INGGRAR						7	8
		Losses Paid Less Salvage			Net Losses		Losses	Percentage of
Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 plus 2 minus 3)	Unpaid Current Year (Part 2A, Column 8)	Net Losses Unpaid Prior Year	Incurred Current Year (Columns 4 plus 5 minus 6)	Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
1 Fire	1.153.762		244,206	909,556	187,466	272,613	824,409	
2. Allied lines.			802	547 697	103,284	116.916	534,065	58.3
3. Farmowners multiple peril.				851,359 3,491,409	87,118	272,952	665,525	26.8
4. Homeowners multiple peril			506,306	3,491,409	1,196,050	981,383	3,706,076	42.2
5. Commercial multiple peril			181,187	817,347	451,214	660,266	608,295	27.6
6. Mortgage guaranty								
8. Ocean marine 9. Inland marine								
9. Inland marine								
11.1 Medical professional liability - occurrence								
11. 2 Medical professional liability - claims-made								
11.2 Infedical professional lability - claims-made								
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation.								
17.1 Other liability - occurrence				195,692	262,844	147,552	310,984	33.5
17.2 Other liability - claims-made								
17.3 Excess Workers' Compensation								
18.1 Products liability - occurrence								
18.2 Products liability - claims-made								
19.1, 19.2 Private passenger auto liability 19.3, 19.4 Commercial auto liability								
21. Auto physical damage								
22. Aircraft (all perils)								
23. Fidelity								
24. Surety								
26. Burgláry and theft								
27. Boiler and machinery								
28. Credit								
29. International								
30. Warranty								
31. Reinsurance-Nonproportional Assumed Property	XXX							
32. Reinsurance- Nonproportional Assumed Liability 33. Reinsurance- Nonproportional Assumed Financial Lines								
33. Reinsurance- Nonproportional Assumed Financial Lines			3,061					
34. Aggregate write-ins for other lines of business	3,001		3,001					
2C TOTALO	7 740 000		005 000	0.040.000	0.007.070	0.454.000	0.040.054	20.4
35. TOTALS	7,748,660		935,600	6,813,060	2,287,976	2,451,682	6,649,354	36.4
DETAILS OF WRITE-INS								
3401. WV Mine Susidence								1
3402. Identity Theft Coverage			1,552					
3403. Service Line Coverage	4'=00		1,509					
3498. Summary of remaining write-ins for Line 34 from overflow page	· ·							
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)			3,061					
	,,,,,							1

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Farmers and Mechanics Mutual Ins. Co. of WV

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

		Reported Losses Incurred But Not Reported					ed	8	9
Line of Business	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred But Not Reported (Columns 1 plus 2 minus 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded	Net Losses Unpaid (Columns 4 plus 5 plus 6 minus 7)	Net Unpaid Loss Adjustment Expenses
1. Fire			40,442		63,000		4,000		30,649
Allied lines. Farmowners multiple peril.			11.393		29,000		2,000		
4. Homeowners multiple peril			303,274	929,050	409,000		142,000	1,196,050	267,810
5. Commercial multiple peril			167,213	174,214	394,000		117,000		125,674
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine									
Financial guaranty Medical professional liability - occurrence									
1.1 Medical professional liability - claims-made									
2. Earthquake									
3. Group accident and health								(a)	
4. Credit accident and health (group and individual)									
5. Other accident and health								(a)	
6. Workers' compensation.				· · · · · · · · · · · · · · · · · · ·					
7.1 Other liability - occurrence		271		43,573	299,000	2/1	80,000		123,049
7.2 Other liability - claims-made									
7.3 Excess Workers' Compensation 8.1 Products liability - occurrence									
8.2 Products liability - claims-made									
9.1, 19.2 Private passenger auto liability									
9.3, 19.4 Commercial auto liability.									
1. Auto physical damage									
2. Aircraft (all perils)									
3. Fidelity									
4. Surety									
6. Burglary and theft 7. Boiler and machinery									
7. Boiler and machinery									
9. International									
0. Warranty									
1. Reinsurance- Nonproportional Assumed Property	XXX				XXX				
2. Reinsurance- Nonproportional Assumed Liability	XXX				XXX				
3. Reinsurance- Nonproportional Assumed Financial Lines					XXX				
4. Aggregate write-ins for other lines of business									
5. TOTALS		271	522,322	1,421,705	1,220,000	271	354,000	2,287,976	670,402
ETAILS OF WRITE-INS									
401.					1	1	[
402.									
403									
498. Summary of remaining write-ins for Line 34 from overflow page.									
499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)									
					1	1			

⁽a) Including \$ for present value of life indemnity claims .

PART 3 - EXPENSES

1.2 Reinsurance assumed	Expenses	
1.1 Direct 739,518 1.2 Reinsurance assumed 242 1.3 Reinsurance ceded 46,754 1.4 Net claim adjustment services (Line 1.1 plus Line 1.2 minus Line 1.3) 693,006 2. Commission and brokerage: 2.1 Direct excluding contingent 2,947,7 2.2 Reinsurance assumed excluding contingent 12,7 2.3 Reinsurance ceded excluding contingent 27,5 2.4 Contingent - direct 437,8 2.5 Contingent - reinsurance assumed 39,6 2.6 Contingent - reinsurance ceded 39,5 2.7 Policy and membership fees 39,5 2.8 Net commission and brokerage (Line 2.1 plus Line 2.2 minus Line 2.3 plus Line 2.4 plus Line 2.5 minus Line 2.6 plus Line 2.7) 3,331,6	772	
2. Commission and brokerage: 2,947,7 2.1 Direct excluding contingent 2,947,7 2.2 Reinsurance assumed excluding contingent 12, 2.3 Reinsurance ceded excluding contingent 27, 2.4 Contingent - direct 437, 2.5 Contingent - reinsurance assumed 39, 2.6 Contingent - reinsurance ceded 39, 2.7 Policy and membership fees 39,	772	2,947,772 12,778 27,530 437,898 39,918
2.8 Net commission and brokerage (Line 2.1 plus Line 2.2 minus Line 2.3 plus Line 2.4 plus Line 2.5 minus Line 2.6 plus Line 2.7)	000	3,331,000
4. Advertising 33, 5. Boards, bureaus and associations 129,6 6. Surveys and underwriting reports 161,5 7. Audit of assureds' records 425,649 1,327,4 8. Salary and related items: 31,648 98,6 9. Employee relations and welfare 67,756 211,327,4 10. Insurance 7,551 23,7 11. Directors' fees 52,333 163,2 12. Travel and travel items 26,436 82,4 13. Rent and rent items 23,985 74,1 14. Equipment 17,569 54,1 15. Cost or depreciation of EDP equipment and software 88,084 274,6 16. Printing and stationery 16,961 52,6 17. Postage, telephone and telegraph, exchange and express 43,538 135,1 18. Legal and auditing 8,869 27,6	412 3,065 697 228 301 488 549 55 205 377 441 190 799 173 790 126 694 634 894 122 2775 313	93,460 129,622 161,978 1,756,126 130,573 279,545 31,155 215,915 109,067 98,957 72,485 363,412 69,977 179,626
19. Totals (Line 3 through Line 18) 810,379 2,912,27 20. Taxes, licenses and fees: 20.1 State and local insurance taxes deducting guaranty association credits of \$ 1,7 20.2 Insurance department licenses and fees 5,3 20.3 Gross guaranty association assessments 5,3 20.4 All other (excluding federal and foreign income and real estate) 4,8	382	1,382
20.5 Total taxes, licenses and fees (Line 20.1 plus Line 20.2 plus Line 20.3 plus Line 20.4). 11,6 21. Real estate expenses 22. Real estate taxes 23. Reimbursements by uninsured plans 24. Aggregate write-ins for miscellaneous expenses	129,402 40,221	129,402
25. Total expenses incurred 1,503,385 6,254,5 26. Less unpaid expenses - current year 670,402 1,199,7 27. Add unpaid expenses - prior year 685,796 1,212,8 28. Amounts receivable relating to uninsured plans, prior year 29. Amounts receivable relating to uninsured plans, current year	106 851	1,898,647
30. TOTAL EXPENSES PAID (Line 25 minus Line 26 plus Line 27 minus Line 28 plus Line 29)	676 279,054	8,066,509
DETAILS OF WRITE-INS 2401. Investment Management and Bank Fees 2402.		
2403. 2498. Summary of remaining write-ins for Line 24 from overflow page 2499. Totals (Line 2401 through Line 2403 plus Line 2498) (Line 24 above)		

EXHIBIT OF NET INVESTMENT INCOME

		<u> </u>	
		1	2
		Collected During Year	Earned During Year
1. U.S. Government bonds 1.1 Bonds exempt from U.S. tax 1.2 Other bonds (unaffiliated)		264,020	
1.3 Bonds of affiliates 2.1 Preferred stocks (unaffiliated) 2.11 Preferred stocks of affiliates		47,525	
2.2 Common stocks (unaffiliated) 2.21 Common stocks of affiliates		54,503	61,047
Mortgage loans Real estate Contract loans	(d)	185,500	
Cash, cash equivalents and short-term investments Derivative instruments Other invested assets.			
9. Aggregate write-ins for investment income 10. Total gross investment income			
11. Investment expenses 12. Investment taxes, licenses and fees, excluding federal income taxes 13. Interest expense 14. Depreciation on real estate and other invested assets			(g) 40,221 (h)
15. Aggregate write-ins for deductions from investment income 16. Total deductions (Line 11 through Line 15) 17. Net investment income (Line 10 minus Line 16)			319,863
DETAILS OF WRITE-INS 0901. 0902. 0903. 0998. Summary of remaining write-ins for Line 9 from overflow page 0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)			
1501. 1502. 1503.			
1598. Summary of remaining write-ins for Line 15 from overflow page			
premium and less \$.69,975 paid for accrued interest on purchases. of premium (b) Includes \$.accrual of discount less \$.amortization of premium and less \$.paid for accrued dividends on purchases. taxes, lie (c) Includes \$.accrual of discount less \$.amortization of premium and less \$.accrual of discount less \$.amortization of premium and less \$.paid for accrued interest on purchases. (h) Includes (d) Includes \$.for company's occupancy of its own buildings; and excludes on capite \$.interest on encumbrances. (i) Includes	\$	investibutable to segregated	stment d and rest

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Cols. 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax	13,694				
1.3 Bonds of affiliates 2.1 Preferred stocks (unaffiliated)				(1,450)	
2.11 Preferred stocks of affiliates 2.2 Common stocks (unaffiliated)	170,759		170,759	(339, 292)	
2.21 Common stocks of affiliates 3. Mortgage loans					
4. Real estate 5. Contract loans					
Cash, cash equivalents and short-term investments					
7. Derivative instruments 8. Other invested assets					
Aggregate write-ins for capital gains (losses) Total capital gains (losses)	203.113		203.113	72.768	
				_,	
DETAILS OF WRITE-INS 0901					
0902.					
0903. 0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

		1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
	Bonds (Schedule D)			
2.	Stocks (Schedule D): 2.1 Preferred stocks			
	2.2 Common stocks			
3.	Mortgage loans on real estate (Schedule B): 3.1 First liens			
	3.2 Other than first liens			
4.	Real estate (Schedule A): 4.1 Properties occupied by the company			
	4.2 Properties held for the production of income			
_	4.3 Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
	Contract loans Derivatives (Schedule DB)			
8.	Other invested assets (Schedule BA)			
9.	Receivable for securities	1		1
10.	Securities lending reinvested collateral assets (Schedule DL)			
	Aggregate write-ins for invested assets			
12.	Subtotals, cash and invested assets (Line 1 to Line 11) Title plants (for Title insurers only)			
14.	Investment income due and accrued			
	Premiums and considerations:			
	15.1 Uncollected premiums and agents' balances in the course of collection			
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
16	15.3 Accrued retrospective premiums Reinsurance:			
10.	16.1 Amounts recoverable from reinsurers			
	16.2 Funds held by or deposited with reinsured companies			
	16.3 Other amounts receivable under reinsurance contracts			
17.	Amounts receivable relating to uninsured plans			
l8.1	Current federal and foreign income tax recoverable and interest thereon Net deferred tax asset	244 740	260 642	/0/ 126
	Guaranty funds receivable or on deposit			
20.	Electronic data processing equipment and software			
21.	Furniture and equipment, including health care delivery assets	1	269,356	1,739
22.	Net adjustment in assets and liabilities due to foreign exchange rates			
	Receivable from parent, subsidiaries and affiliates			
	Health care and other amounts receivable			
26.	Aggregate write-ins for other than invested assets Total assets excluding Separate Accounts. Segregated Accounts and Protected Cell Accounts.			
20.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	646.814	582.344	(64.470
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28.	Total (Line 26 and Line 27)	646,814	582,344	(64,470
DETA	ILS OF WRITE-INS			
	Summary of remaining write-ins for Line 11 from overflow page			
	Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)			
2501.	Prepaid Expenses		52,376	
2502.				
2503.				
2598.	Summary of remaining write-ins for Line 25 from overflow page	24 440		47.00
<u> 2</u> 599.	Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	34,449	52,376	17,927

1. Summary of Significant Accounting Policies

- A. Accounting Practices: The accompanying financial statements of Farmers & Mechanics Mutual Insurance Company of West Virginia have been prepared in conformity with the National Association of Insurance Commissioners Annual Statement Instructions and Accounting Practices and Procedures Manual and the state laws of West Virginia.
- **B.** Use of Estimates in the Preparation of the Financial Statements: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

C. Accounting Policies:

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by pro-rata methods for direct business and are based on reports received from ceding companies for reinsurance assumed. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

Net investment income earned consists primarily of interest, dividends and rent income less investment related expense. Interest is recognized on an accrual basis and dividends are recognized on an ex-dividend basis. Rental income consists of an imputed rent for the Company's occupancy of its own building. Net realized capital gains (losses) are recognized using the FIFO basis when securities are sold, redeemed or otherwise disposed.

Real estate investments consist solely of property occupied by the Company and it is carried at depreciated cost.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized value using the interest method. Non-investment grade short-term investments (none owned at statement date) are stated at the lower of amortized value for fair value.
- (2) Investment grade bonds not backed by other loans are stated at amortized value using the interest method. Non-investment grade bonds with NAIC designations of 3 through 6 are stated at the lower of amortized value or fair value.
- (3) Common stocks, other than investments in stocks of subsidiaries and affiliates, are stated at market value.
- (4) Investment grade perpetual preferred stocks are stated at fair value. Non-investment grade preferred stocks are state at the lower of amortized value or fair value. Investment grade redeemable preferred stocks (none owned at statement date) are stated at amortized value.
- (5) Mortgage loans on real estate: None
- (6) Investment grade loan-backed are stated at amortized value.
- (7) Investment in insurance subsidiary, Farmers & Mechanics Fire and Casualty Insurance Company, is stated at statutory equity value.
- (8) Investments in joint ventures and partnerships: None
- (9) Derivatives: None
- (10) The Company does not anticipate investment income as a factor in premium deficiency calculations.
- (11)Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may

- be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has a written capitalization policy for prepaid expenses and purchases of items such as electronic data processing equipment, software, furniture, vehicles, other equipment and leasehold improvements. The predefined capitalization thresholds under this policy have not changed from those of the prior year.
- (13) Pharmaceutical Rebate Receivables are not applicable as the Company does not write major medical insurance with prescription drug coverage.

2. Accounting Changes and Corrections of Errors

A. Accounting Changes and Correction of Errors: Not applicable

3. Business Combinations and Goodwill

None

4. Discontinued Operations

None

5. Investments

A. Mortgage loans, including mezzanine real estate loans

None

B. Debt Restructuring

None

C. Reverse Mortgages

None

D. Loan-Backed Securities

- (1) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from Andrew Davidson Company.
- (2) The Company had no OTTI for Loan-Back Securities

E. Repurchase Agreements

The Company maintains a daily repurchase/sweep agreement with Centra Bank for its cash accounts. The agreement requires Centra Bank to secure the balance with Federal Agency Bonds.

F. Write-downs for Impairments of Real Estate, Real Estate Sales, Retail Land Sales Operations and Real Estate with Participating Mortgage Loan Features.

None

G. Low Income Housing Tax Credits

None

6. Joint Ventures, Partnerships and Limited Liability Companies

None

7. Investment Income

A. Accrued Investment Income

The Company non-admits investment income due and accrued if amounts are over 90 days past due.

B. Amounts Non-admitted

None

8. Derivative Instruments

None

9. Income Taxes

A. Components of Deferred Tax Assets (DTAs) and Deferred Tax Liabilities (DTLs)

		2011				2010			Change	
		-1	-2	-3	-4	-5	-6	-7	-8	-9
				(Col 1+2)			(Col 4+5)	(Col 1-4)	(Col 2-5)	(Col 7+8)
		Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a)	Gross Deferred Tax Assets	1,157,989	10,697	1,168,686	1,133,851	0	1,133,851	24,138	10,697	34,835
(b)	Statutory Valuation Allowance Adjustment	0	0	0	0	0	0	0	0	0
(c)	Adjusted Gross Deferred Tax Assets (1a-1b)	1,157,989	10.697	1,168,686	1,133,851	0	1,133,851	24,138	10,697	34,835
(d)	Deferred Tax Liabilities	45,964	0	45,964	16,173	95,567	111,740	29,791	95,567	125,358
(e)	Subtotal (Net Deferred Tax Assets) (1c-1d)	1,112,025	10,697	1,122,722	1,117,678	(95,567)	1,022,111	-5,654	(106,264)	100,610
(f)	Deferred Tax Assets Nonadmitt ed	344,748	0	344,748	247,209	0	247,209	97,539	0	97,539
(g)	Net Admitted Deferred Tax Assets (1e-1f)	767,277	10,697	777,974	870,469	(95,567)	774,902	(103,193)	106,264	3,072

The Company has not elected to admit additional DTA's pursuant to SSAP 10R, paragraph 10(e). The current period election does not differ from the prior reporting period.

B. Unrecognized DTLs

Not Applicable

C. Current Tax and Change in Deferred Tax

The provisions for federal income taxes incurred on earnings for the years ended December 31, 2011 and 2010 are \$1,645,582 and \$941,201 respectively.

The tax effect of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	12/31/11	12/31/10
Deferred Tax Assets Discounting Of Unpaid Losses And LAE Change In Unearned Premium Reserve Non-admitted Assets Other Than Temporary Impairment	\$69,833 699,808 44,118 335,852	\$74,507 678,572 36,984 335,852
Net Unrealized Capital Losses Other	10,697 8,378	7,936
Total Deferred Tax Assets Non-admitted Deferred Tax Assets	\$1,168,687 (344,748)	\$1,133,851 (247,209)
Admitted Deferred Tax Assets	\$823,939	\$886,642
Deferred Tax Liabilities		
Net Unrealized Capital Gains	\$0 30.037	\$95,567
Tax/Book Depreciation Bond Market Discount	39,937 5,360	14,648 1,569
Discounting Of Unpaid Salvage And Subrogation	0	1,000
Other	667	(44)
Total Deferred Tax Liabilities	45,964	111,740
Net Admitted Deferred Tax Assets	\$777,974	\$774,902

The change in net deferred income taxes is comprised of the following:

	12/31/11	12/31/10	Change
Total deferred tax assets Total deferred tax liabilities	\$1,157,989 45,964	\$1,133,851 16,173	24,138 29,791
Net deferred tax asset	\$1,122,722	\$1,022,111	(5,654)
Tax effect of unrealized gains			106,264
Change in net deferred income tax			\$100,610

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The significant items causing a difference between the statutory federal income tax rate and the Company's effective income tax rate were as follows:

	December 31, 2011	Effective Tax Rate
Provision computed at statutory rate	\$1,760,001	34.0%
Tax exempt income deduction Change in non-admitted assets Dividends received deduction Proration of tax exempt investment income Disallowed travel and entertainment Other Than Temporary Impairment Other	(96,346) 8,289 (24,283) 18,094 1,812 0 (21,985)	(1.9) .2 (.5) .3 0.0 0.0 (0.4)
Totals Change in net deferred income taxes	\$1,645,582 324,565	31.7% 6.3
Total statutory income taxes	1,970,147	38.1%

E. Operating Loss and Tax Credit Carryforwards

- (1) At December 31, 2011, the Company did not have any unused operating loss carry-forwards available to offset against future taxable income.
- (2) The following is income tax expense for 2011 and 2010 that is available for recoupment in the event of future net losses:

Year	Amount
2011	\$1,648,661
2010	\$932,582

F. Consolidate Federal Income Tax Return

Not Applicable to Company

10. Information Concerning Parent, Subsidiaries and Affiliates

A. Nature of Relationship

The Company owns 100% of the stock of subsidiary of Farmers and Mechanics Farmers & Mechanics Fire and Casualty Insurance Company (FMFC)

B. Detail of Transactions Greater than 1/2% of Admitted Assets

The Company purchased 125,000 shares (\$2.5 Million) of FMFC on August 1, 2006, to fund FMFC, and an additional 25,000 shares (\$500,000) on June 11, 2011.

C. Change in Terms of Intercompany Arrangements

The Company established a Cost Sharing Agreement with FMFC effective August 1, 2006.

D. Amounts Due to or from Related Parties

For the years ending December 31, 2011 and 2010, the Company reported a receivable (payable) of \$(30,353) and \$87,917 respectively due from (to) FMFC, under the terms of the cost sharing agreement, which requires balances to be settled within 30 days.

E. Guarantees or Undertakings for Related Parties

None

F. Management, Service Contracts, Cost Sharing Arrangements

The Company has entered into an agreement with FMFC for FMM to provide certain management, underwriting support, accounting and information system services to FMFC. Shared costs Incurred by FMM are allocated based on several applicable ratio.

G. Nature of Relationships that Could Affect Operations

None

H. Amount Deducted for Investment in Upstream Company

Not Applicable

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

Not Applicable

J. Write-downs for Impairment of Investments in Affiliates

Not Applicable

K. Foreign Insurance Subsidiary Value using CARVM

Not Applicable

L.	Downstream	Holding	Company	Valued Usir	ng Look-Throu	ah Method

Not Applicable

11. Debt

A. Capital Notes

None

B. All Other Debt

None

12. Retirement Plans, Deferred Compensation, Post Employment Benefits and Compensated Absences and Other Post-retirement Benefit Plans

A. Defined Benefit Plan

None

B. Defined Contribution Plan

The Company offers a 401k Retirement Savings Plan for all eligible employees. Employees may contribute to the plan in accordance with IRS limits. The Company matches 50% of the employee's contribution, up to a maximum of 3% of the employee's gross wages. Contributions are deposited monthly into the employees retirement account and the plan is administered by a third party. For 2011 and 2010, the Company's contributions to the plan totaled \$50,578 and \$48,933 respectively. There were no changes to the plan during the year. The Company has no legal obligation for benefits under this plan.

C. Multi-employer Plans

None

D. Consolidated/Holding Company Plans

None

E. Post-employment Benefits and Compensated Absences

None

F. Impact of Medicare Modernization Act on Post Retirement Benefits (INT-04-17)

None

13. Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations

None

14. Contingencies

A. Contingent Commitments

None

B. Guaranty Fund and Other Assessments

The Company is subject to guaranty fund assessments by the State of West Virginia. Guaranty fund assessments should be accrued at the time of insolvency. The Company is not aware of any insolvency's that would require an assessment accrual.

C. Gain Contingencies

None

D. Extra Contractual Obligation and Bad Faith Losses

None

E. Product Warranties

None

F. All Other Contingencies

Lawsuits arise against the Company in the normal course of business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

15. Leases

A. Lessee Leasing Arrangements

- The Company leases equipment under a non-cancelable operating lease that expires in June, 2015. Rental expense for the current year and the prior year was \$25,376 and \$24,089 respectively. There are no contingent rental payments or unusual renewal options, escalation clauses or restrictions and there have been o early terminations of existing leases.
- 2. Future minimum rental payments are as follows:

Year	Amount
2012	\$25,376
2013	\$25,376
2014	\$25,376
2015	\$12,688
Total	\$88,816

3. The Company has not entered into any sale and leaseback arrangements.

B. Lessor Leasing Arrangements

None

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments with Concentration of Credit Risk

None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

None

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans.

None

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

None

20. Fair Value Measurements

- A. Inputs Used for Assets and Liabilities Measured at Fair Value
 - 1. Fair Value Measurements by Levels 1, 2 and 3

The Company has categorized its assets and liabilities that are measured at fair value into the three-level fair value hierarchy as reflected in the table below. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. The three levels are defined as follows.

Level 1- Quoted Prices in Active Markets for Identical Assets and Liabilities: This category, for items measured at fair value on a recurring basis, includes exchange-traded preferred and common stocks. The estimated fair value of the equity securities within this category are based on quoted prices in active markets and are thus classified as Level 1.

Level 2 - Significant Other Observable Inputs: This category for items measured at fair value on a recurring basis includes bonds, preferred stocks and common stocks which are not exchange-traded. The only asset measured at fair value in this category is the Company's wholly owned insurance subsidiary, which is measured using the Statutory Equity Method.

Level 3 - Significant Unobservable Inputs: The Company has no assets or liabilities measured at fair value in this category.

1	2	3	4	5
Description	Level 1	Level 2	Level 3	Total
Assets at fair value				
Bonds and asset backed securities				
Bonds - issuer obligations				
Multi class commercial mortgage-backed securities				
Total bonds and asset-backed securities				
Preferred stocks				
Perpetual - industrial and miscellaneous	\$676,875			\$676,875
Total preferred stocks	\$676,875			\$676,875
Common stocks				
Industrial and miscellaneous	\$3,065,090			\$3,065,090
Subsidiary		\$3,208,742		3,208,742
Mutual funds				
Total common stocks	\$3,065,090	\$3,208,742		\$6,273,832
Total assets at fair value	\$3,741,965	3,208,742		\$6,950,707
Liabilities at fair value				
Derivative liabilities				
Total liabilities at fair value				

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred between Levels 1 and 2. This policy also applies to transfers into or out of Level 3 as stated in paragraph 3 below.

During 2011, there were no transfers between Levels 1 and 2.

2. Rollforward of Level 3 Items

The Company has no assets or liabilities measured at fair value in the Level 3 category.

3. Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.

4. Inputs and Techniques Used for Level 2 and Level 3 Fair Values

The Company has no assets or liabilities measured at fair value in the Level 3 category.

No Bonds were carried at fair value.

No Preferred stocks carried at fair value were categorized as Level 2...

Common stocks carried at fair value categorized as Level 2 were valued using the Statutory Equity Method.

5. Derivative Fair Values

Not Applicable

B. Other Fair Value Disclosures

Not Applicable

C. Reasons Not Practical to Estimate Fair Values

Not Applicable

21. Other Items

A. Extraordinary Items

None

B. Troubled Debt Restructuring for Debtors

None

C. Other Disclosures

None

D. Uncollectible Premium Receivable

None

E. Business Interruption Insurance Recoveries

None

F. State Transferable and Non-Transferable Tax Credits

None

G. Subprime Mortgage Related Exposure

None

22. Events Subsequent

There were no events occurring subsequent to December 31, 2011 meriting disclosure.

23. Reinsurance

A. Unsecured Reinsurance Recoverables

The Company has unsecured aggregate recoverables for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with individual reinsurers, authorized or unauthorized, that exceeds 3% of policyholder surplus as follows:

None

B. Reinsurance Recoverables in Dispute

None

C. Reinsurance Assumed and Ceded

1. The following table summarizes ceded and assumed unearned premiums and the related commission equity at December 31, 2011.

	Assumed	Assumed	Ceded	Ceded	Net	Net
	Unearned	Commission	Unearned	Commission	Unearned	Commission
	Premium	Equity	Premium	Equity	Premium	Equity
Affiliates	\$0	\$0	\$0	\$0	\$0	\$0
All other	\$0	\$0	\$302,849	\$14,353	\$302,849	\$14,353
Total	\$0	\$0	\$302,849	\$14,353	\$302,849	\$14,353

Direct Unearned Premium Reserve: \$10,372,955.

2. Certain agency agreements and ceded reinsurance contracts provide for additional commissions based on actual loss experience of the produced or reinsured business. Amounts accrued at December 31, 2011 are as follows:

Description	Direct	Assumed	Ceded	Net
a. Contingent Commission	\$405,357		\$39,917	\$365,440
b. Sliding Sale Adjustments				
c. Other Profit Commissions				
d. Totals	\$405,357		\$39,917	\$365,440

3. The Company does not use protected cells as an alternative to traditional reinsurance.

D. Uncollectible Reinsurance

None

E. Commutation of Ceded Reinsurance

None

F. Retroactive Reinsurance

None

G. Reinsurance Accounted for as a Deposit

None

H. Other Items

None

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

None

25. Changes in Incurred Losses and Loss Adjustment Expenses

The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years decreased by \$604,000 during 2011. This is 19.3% of unpaid losses and loss adjustment expenses of \$3,137,478 as of December 31, 2010. Increases or decreases occur as the result of claim settlements during the current year, and as additional information is received regarding individual claims, causing changes from the original estimates of the cost of these claims. Recent loss development trends are also taken into account in evaluating the overall adequacy of unpaid losses and loss adjustment expenses. Additional or return premiums have not been accrued as a result of the prior year effects.

26. Intercompany Pooling Arrangements

Not Applicable

27. Structured Settlement

None

28. Health Care Receivables

Not Applicable

29. Participating Accident and Health Policies

Not Applicable

30. Premium Deficiency Reserves

None

31. High Deductibles

Not Applicable

32. Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses

The Company does not discount losses.

33. Asbestos/Environmental Reserves

Due to the types of coverage and perils written by the Company, exposure to asbestos and environmental claims is deemed to be minimal. Therefore, no specific reserves are held for such events.

34. Subscriber Savings Accounts

Not Applicable

35. Multiple Peril Crop

Not Applicable

36. Financial Guaranty Insurance

Not Applicable

GENERAL

1.1	Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?	Yes (X) No ()
1.2	If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?	Yes (X) No () N/A (
1.3	State Regulating?	West Virginia
2.1	Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?	Yes () No (X)
2.2	If yes, date of change:	
3.1	State as of what date the latest financial examination of the reporting entity was made or is being made.	12/31/2007
3.2	State the as of date of the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.	12/31/2007
3.3	State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).	01/12/2009
3.4	By what department or departments? WEST VIRGINIA INSURANCE DEPARTMENT	
3.5	Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?	Yes () No () N/A (
3.6	Have all of the recommendations within the latest financial examination report been complied with?	Yes () No () N/A (
4.1	During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:	
	4.11 sales of new business? 4.12 renewals?	Yes () No (X) Yes () No (X)
4.2	During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:	
	4.21 sales of new business? 4.22 renewals?	Yes () No (X) Yes () No (X)

5.1	5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?								o (X)
5.2	If yes, provide the name of entity, the NAIC comp	any code, and state of domicile for any entity th	at has ceased to	exist as a r	esult of the merg	er or consolidation	١.		
	1 Name of Ent	ity	NA	2 C Company	y Code		3 State of Domicile		
						1			
0.4	Halland Carlot All Andrews	11. 12. P		76 17 1					
6.1	Has the reporting entity had any Certificates of Au entity during the reporting period?	thority, licenses or registrations (including corpo	orate registration	, if applicat	ole) suspended of	r revoked by any g	jovernmental	Yes	s () No (X)
6.2	If yes, give full information:								
7.1	Does any foreign (non-United States) person or e	ntity directly or indirectly control 10% or more of	the reporting ent	ity?				Yes	s () No (X)
7.2	If yes, 7.21 State	the percentage of foreign control;							%
	7.22 State attorn	the nationality(s) or entity(s); or if the entity is a ey-in-fact and identify the type of entity(s) (e.g	a mutual or recipi ., individual, cor	ocal, the n	ationality of its management, management	anager or ager or attorney-ir	n-fact).		
		1				2			
	N	ationality				Type of Entity			
8.1	Is the company a subsidiary of a bank holding comp	nany regulated by the Federal Reserve Board?						Υ	'es () No (X
8.2	If response to 8.1 is yes, please identify the name								
8.3	Is the company affiliated with one or more banks, the	hrifts or securities firms?						Υ	'es () No (X
8.4	If response to 8.3 is yes, please provide the names services agency [i.e. the Federal Reserve Board (Insurance Corporation (FDIC) and the Securities E	FRB) the Office of the Comptroller of the Curre	ency (OCC), the	Office of Th	hrift Supervision (nancial regulatory (OTS) , the Feder	al Deposit		
	1 Affiliate Name	Location (City, State)		3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC	

GENERAL

9.	What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit? BUFFAMANTE WHIPPLE BUTTAFARO, PC 100 E. 5TH ST., JAMESTOWN, NY 14702	
10.1	Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?	Yes () No (X)
10.2	If the response to 10.1 is yes, provide information related to this exemption:	
10.3	Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Model Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?	Yes () No (X)
10.4	If the response to 10.3 is yes, provide information related to this exemption:	
10.5	Has the reporting entity established an Audit Committee in compliance with domiciliary state insurance laws?	Yes (X) No () N/A (
10.6	If the response to 10.5 is no or n/a, please explain:	
11.	What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification? KAY KUFERA CONSULTING, INC 1 GRACE RIDGE CT, MONKTON, MD 21111	
12.1	Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?	Yes () No (X)
	12.11 Name of real estate holding company	
	12.12 Number of parcels involved	
	12.13 Total book/adjusted carrying value	\$
12.2	If yes, provide explanation	
13.	FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:	
	13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?	
	13.2 Does this statement contain all business transacted for the reporting entity through its United States branch on risks wherever located?	Yes () No ()
	13.3 Have there been any changes made to any of the trust indentures during the year?	Yes () No ()
	13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?	Yes () No () N/A (
14.1	Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity; (c) Compliance with applicable governmental laws, rules and regulations; (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and (e) Accountability for adherence to the code.	Yes (X) No ()
14.11	If the response to 14.1 is No, please explain:	
14.2	Has the code of ethics for senior managers been amended?	Yes () No (X)
14.21	If the response to 14.2 is Yes, provide information related to amendment(s).	
14.3	Have any provisions of the code of ethics been waived for any of the specified officers?	Yes () No (X)
14.31	If the response to 14.3 is Yes, provide the nature of any waiver (s).	

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below?

Yes () No (X)

15.2 If the response to 15.1 is yes, indicated the American Bankers Association (ABA) Routing Number and the name of issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1	2	3	4
American Bankers Association (ABA)			
Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount

BOARD OF DIRECTORS

16.	Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a sale of all investments of the reporting entity passed upon either by the Board of Directors or a sale of all investments of the reporting entity passed upon either by the Board of Directors or a sale of all investments of the reporting entity passed upon either by the Board of Directors or a sale of all investments of the reporting entity passed upon either by the Board of Directors or a sale of all investments of the reporting entity passed upon either by the Board of Directors or a sale of all investments of the reporting entity passed upon either by the Board of Directors or a sale of all investments of the reporting entity passed upon either by the Board of Directors or a sale of the passed upon entity passed upon either by the Board of Directors or a sale of the passed upon entity passed upon entity passed upon either by the Board of Directors or a sale of the passed upon entity passe	ubordin	ate committee thereof?	Yes (X) No ()			
17.	7. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?						
18.	Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material any of its officers, directors, trustees, or responsible employees that is in conflict or is likely to conflict with the officers.			Yes (X) No ()			
	FINANCIAL						
19.	Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., G	enerally	Accepted Accounting Principles)?	Yes () No (X)			
20.1	Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):	20.12	To directors or other officers To stockholders not officers Trustees, supreme or grand (Fraternal only)	\$ \$ \$			
20.2	Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):						
		20.22	To directors or other officers To stockholders not officers Trustees, supreme or grand (Fraternal only)	\$ \$ \$			
21.1	Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the reported in the statement?	he liabili	ty for such obligation being	Yes () No (X)			
21.2	If yes, state the amount thereof at December 31 of the current year:	21.22 21.23	Rented from others Borrowed from others Leased from others Other	\$ \$ \$			
22.1	Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?			Yes () No (X)			
22.2	If answer is yes:	22.22	Amount paid as losses or risk adjustment Amount paid as expenses Other amounts paid	\$ \$			
23.1	Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement	t?		Yes () No (X)			
23.2	If yes, indicate any amounts receivable from parent included in the Page 2 amount:			\$			

INVESTMENT

24.1	Were all the stocks, bonds and other securities owned December 31 of current yreporting entity on said date? (other than securities lending programs addresse	Yes (X) No ()	
24.2	If no , give full and complete information relating thereto:		
24.3	off-balance sheet. (an alternative is to reference Note 16 where this information	g value for collateral and amount of loaned securities, and whether collateral is carried on or on is also provided)	
24.4	Does the Company's security lending program meet the requirements for a confo	orming program as outlined in Risk-Based Capital Instructions?	Yes () No () N/A (X)
24.5	If answer to 24.4 is YES, report amount of collateral for conforming programs .		\$
24.6	If answer to 24.4 is NO, report amount of collateral for other programs.		\$
24.7	Does your security lending program require 102% (domestic securities) and 105	% (foreign securities) from the counterparty at the outset of the contract?	Yes () No () N/A (X)
24.8	Does the reporting entity non-admit when the collateral received from the counted	erparty falls below 100%?	Yes () No () N/A (X)
24.9	Does the reporting entity or the reporting entity's securities lending agent utilize securities lending?	the Master Securities Lending Agreement (MSLA) to conduct	Yes () No () N/A (X)
25.1	Were any of the stocks, bonds or other assets of the reporting entity owned at E or has the reporting entity sold or transferred any assets subject to a put option subject to Interrogatory 21.1 and 24.3)	December 31 of the current year not exclusively under the control of the reporting entity, contract that is currently in force? (Exclude securities	
			Yes (X) No ()
25.2	If yes, state the amount thereof at December 31 of the current year:	25.21 Subject to repurchase agreements 25.22 Subject to reverse repurchase agreements 25.23 Subject to dollar repurchase agreements 25.24 Subject to reverse dollar repurchase agreements 25.25 Pledged as collateral 25.26 Pleaced under option agreements 25.27 Letter stock or securities restricted as to sale 25.28 On deposit with state or other regulatory body 25.29 Other	\$ \$

INVESTMENT

25.3 For category (25.27) provide the following:

1	2	3
Nature of Restriction	Description	Amount

 $26.1 \quad \hbox{Does the reporting entity have any hedging transactions reported on Schedule DB?}$

Yes () No (X)

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.

Yes () No () N/A (X)

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes () No (

 $27.2\,\,$ If yes, state the amount thereof at December 31 of the current year.

INVESTMENT

28. Excluding items in Schedule E - Part 3 - Special De deposit boxes, were all stocks, bonds, and other in accordance with Section 1, III General Examinat Condition Examiners Handbook?	securities, owned thro	aughout the current ver	er held pursuant to a d	custodial ac	reement with a qualified bank or trust company	Yes (X) No ()
28.01 For agreements that comply with the requirements	of the NAIC Financial	Condition Examiners H	landbook, complete t	the following	g:	
1 Name of Custodian(s)			Cu	2 ustodian's A	ddress	
US BANKSUNTRUST	425 WALNUT ST, CII PO BOX 26665, RICH	NCINNATI, OH 45202 IMOND, VA 23261-666				
28.02 For all agreements that do not comply with the requ	uirements of the NAIC	Financial Condition Ex	aminers Handbook, p	provide the	name, location and a complete explanation:	
Name (s)		Location(s)			Complete Explanation (s)	
28.03 Have there been any changes, including name ch28.04 If yes, give full and complete information relating		an(s) identified in 28.0	11 during the current y	year?		Yes () No (X)
1 Old Custodian	2 New Custo	odian	3 Date of Change		4 Reason	
28.05 Identify all investment advisors, broker/dealers or authority to make investments on behalf of the rep	individuals acting on b orting entity:	ehalf of broker/dealers		the investm		
1 Central Registration Depository Number	r(s)		2 Name		3 Address	
		DWIGHT ASSET MAN	IAGEMENT	10	0 BANK ST, SUITE 800, BURLINGTON, VT 05401.	

GENERAL INTERROGATORIES PART 1 - COMMON INTERROGATORIES

INVESTMENT

29.1	Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange
	Commission (SEČ) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes () No (X)

29.2 If yes, complete the following schedule:

1	2	3
CUSIP Number	Name of Mutual Fund	Book/Adjusted Carrying Value
		, ,

29.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from question 29.2)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation

GENERAL INTERROGATORIES PART 1 - COMMON INTERROGATORIES

INVESTMENT

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	\$ 31,979,871	\$ 33,288,518	\$ 1,308,647
30.2 Preferred stocks	\$ 698,075	\$ 726,275	\$ 28,200
30.3 Totals	\$ 32,677,946	\$ 34,014,793	\$ 1,336,847

30.4 Describe the sources or methods utilized in determining the fair values:
THE VAIR VALUE IS THE VALUE ASSIGNED BY THE SVO. WHERE PRICES ARE NOT PROVIDED BY THE SVO,
A PRICING SERVICE IS USED.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes () No (X)

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy)
for all brokers or custodians used as a pricing source?

Yes () No ()

11.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filling requirements of the Purposes and Procedures manual of the NAIC Securities Valuation Office been followed?

Yes (X) No ()

12.2 If no, list exceptions:

GENERAL INTERROGATORIES PART 1 - COMMON INTERROGATORIES

OTHER

33.1	Amount of p	ayments to Trade Associations, service organizations and statistical or Rating Bureaus, if any?		\$ 120,314
33.2	List the nam organization	ne of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade is and statistical or rating bureaus during the period covered by this statement.	e associations, service	
		1 Name	2 Amount Paid	
		INSURANCE SERVICES OFFICE	\$ 84,782	
			\$	
			\$	
			\$	
34.1 34.2	List the nam	ayments for legal expenses, if any? The of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expensibles statement.	ses during the period	\$ 8,04
				1
		1 Name	2 Amount Paid	
		MARTIN AND SEIBERT	\$8,041	
			\$	
			\$	
			\$	
35.1 35.2		payments for expenditures in connection with matters before legislative bodies, officers or departments of government, are of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in codies, officers or departments of government during the period covered by this statement.		\$
		1	2	1
		Name	Amount Paid	
			\$	
			\$	
			\$	
			\$	

1.1	Does the reporting entity have any direct Medical	re Supplement Insurance in force?		Yes () No (X)
1.2	If yes, indicate premium earned on U.S. busines	ss only.		\$
1.3	What portion of Item (1.2) is not reported on the 1.31 Reason for excluding:	Medicare Supplement Insurance Experience Exhibit?		\$
1.4	Indicate amount of earned premium attributable t	to Canadian and/or Other Alien not included in Line (1.2) above.		\$
1.5	Indicate total incurred claims on all Medicare Sup	pplement insurance.		\$
1.6	Individual policies:	Most current three years:		
		1.61 Total premium earned 1.62 Total incurred claims 1.63 Number of covered lives		\$ \$
		All years prior to most current three years:		
		1.64 Total premium earned1.65 Total incurred claims1.66 Number of covered lives		\$ \$
1.7	Group policies:	Most current three years:		
		1.71 Total premium earned1.72 Total incurred claims1.73 Number of covered lives		\$ \$
		All years prior to most current three years:		
		1.74 Total premium earned 1.75 Total incurred claims 1.76 Number of covered lives		\$ \$
2.Hea	alth Test:		1 2 Current Year Prior Year	
		2.1 Premium Numerator	\$ \$	
		2.2 Premium Denominator 2.3 Premium Ratio (Line 2.1/Line 2.2) 2.4 Reserve Numerator 2.5 Reserve Denominator 2.6 Reserve Ratio (Line 2.4/Line 2.5)	\$ \$ \$ \$	
3.1	Does the reporting entity issue both participating	and non-participating policies?		Yes () No (X)
3.2	If yes, state the amount of calendar year premiur	ms written on:		
		3.21 Participating policies 3.22 Non-participating policies		\$ \$
	For Mutual reporting entities and Reciprocal Exch			
	Does the reporting entity issue assessable policies			Yes () No (X)
	Does the reporting entity issue non-assessable p			Yes (X) No ()
	If assessable policies are issued, what is the extended to the			%
		be paid during the year on deposit notes or contingent premiums.		\$
	For Reciprocal Exchanges only:			Voc. () No. ()
	Does the exchange appoint local agents?			Yes () No ()
5.2	If yes, is the commission paid:	5.21 Out of Attorney's-in-fact compensation5.22 As a direct expense of the exchange		Yes () No () N/A (X Yes () No () N/A (X
5.3	What expenses of the Exchange are not paid out	of the compensation of the Attorney-in-fact?		() () (
5.4		ent on fulfillment of certain conditions, been deferred?		Yes () No ()
	, , , , , , , , , , , , , , , , , , ,	,		. , , ,

0.1	NOT APPLICABLE	
6.2	Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:	
	PREPARED BY COMPANY'S REINSURANCE BROKER USING VARIOUS SOFTWARE MODELS. PROPERTY EXPOSURES LOCATED IN WV SUBJECT TO WIND/HAIL DAMAGE	
6.3	What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?	
	THE COMPANY HAS PURHASED CATASTROPHE REINSURANCE PROVIDING \$10.5M IN COVER, EXCESS \$500,000 PER EVENT.	
6.4	Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?	Yes (X) No ()
6.5	If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.	
7.1	Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?	Yes () No (X)
7.2	If yes, indicate the number of reinsurance contracts containing such provisions.	
7.3	If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?	Yes () No (X)
8.1	Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?	Yes () No (X)
8.2	If yes, give full information.	
9.1	Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract (s) contain one or more of the following features or other features that would have similar results: (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term; (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer; (c) Aggregate stop loss reinsurance coverage; (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a	
	decline in the credit status of the other party; (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or	Yes () No (X)
9.2	Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of the prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where: (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.	Yes () No (X)
9.3	If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9: (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income; (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.	100 () 110 (1)
9.4	Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either: (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or	
	(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?	Yes () No (X)
9.5	If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.	
9.6	The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria: (a) The entity does not utilize reinsurance; or,	Yes () No (X)
	 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or, (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. 	Yes () No (X) Yes () No (X)

10.	If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original reporting entity would have been required to charge had it retained the risks. Has this been done?	Yes () No () N/A (X
11.1	Has this reporting entity guaranteed policies issued by any other entity and now in force?	Yes () No (X)
11.2	If yes, give full information.	
10 1	If the recent is a set in a second at a second is a second in a second in the little and a second in t	
12.1	If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for: 12.11 Unpaid losses	\$
	·	\$
12.2		\$
12.3	If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?	Yes () No () N/A (X
12.4	If yes, provide the range of interest rates charged under such notes during the period covered by this statement:	
	12.41 From	%
	12.42 To	%
12.5	Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?	Yes () No (X)
12.6	If yes, state the amount thereof at December 31 of the current year:	
	12.61 Letters of credit	\$
	12.62 Collateral and other funds	\$
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):	\$ 150,000
13.2	Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?	Yes () No (X)
13.3	State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.	3
14.1	Is the company a cedant in a multiple cedant reinsurance contract?	Yes (X) No ()
14.2	If yes, please describe the method of allocating and recording reinsurance among the cedants:	
	PREMIUMS ARE CEDED BASED ON SUBJECT NET PREMIUM FOR EACH COMPANY. LOSSES ARE RECOVERED BASED ON THE COMPANY WRITING THE UNDERLYING POLICY.	
14.3	If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?	Yes (X) No ()
14.4	If the answer to 14.3 is no, are the methods described in 14.2 entirely contained in written agreements?	Yes () No (X)
14.5	If the answer to 14.4 is no, please explain:	
15.1	Has the reporting entity guaranteed any financed premium accounts?	Yes () No (X)
15.2	If yes, give full information.	

16.1	Does the reporting entity write any warranty busing	ness?				Yes () No (X)
	If yes, disclose the following information for each	of the following types of warranty	coverage:			
	1 Direct Losses Incurred 16.11 Home \$ Incurred 16.12 Products \$ Incurred 16.13 Automobile \$ Incurred 16.14 Other* \$ Incurred	\$ \$ \$	\$ \$ \$	\$ \$	\$ \$ \$	
17.1	17.12 Unfunded portion 17.13 Paid losses and lc 17.14 Case reserves po 17.15 Incurred but not re 17.16 Unearned premiur 17.17 Contingent comm Provide the following information for all other amount of 17.18 Gross amount of 17.19 Unfunded portion 17.20 Paid losses and lc 17.21 Case reserves po 17.22 Incurred but not re 17.23 Unearned premiur	orce prior to July 1, 1984, and not on: unauthorized reinsurance in Scheo of Interrogatory 17.11 sss adjustment expenses portion or rition of Interrogatory 17.11 eported portion of Interrogatory 17.11 m portion of Interrogatory 17.11 sission portion of Interrogatory 17.11 sunts included in Schedule F - Par unauthorized reinsurance in Scheo	t subsequently renewed are dule F - Part 3 excluded from of Interrogatory 17.11 7.11 11 13 and excluded from Sche dule F - Part 3 excluded from of Interrogatory 17.18 7.18	exempt from inclusion in Sche n Schedule F - Part 5 dule F - Part 5, not included a	dule F - Part 5.	Yes () No (X) \$
18.1	Do you act as a custodian for health savings according	ounts?				Yes () No (X)
18.2	If yes, please provide the amount of custodial fur	nds held as of the reporting date.				\$
18.3	Do you act as an administrator for health savings	accounts?				Yes () No (X)
10 /	If was inlease provide the halance of the funds as	Aministored as of the reporting dat	ή.			¢

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only , no cents; show percentages to one decimal place , i.e. 17.6.

		1 2011	2 2010	3 2009	4 2008	5 2007
	Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 and 3)					
1. 2. 3. 4. 5.	Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4) Property lines (Lines 1, 2, 9, 12, 21 and 26) Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27) All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34) Nonproportional reinsurance lines (Lines 31, 32 and 33)	4,124,452 14,533,556 342,819	3,995,970 13,923,857 387,089	4,110,382	4,113,151 14,374,882 85,428	4,161,628 14,719,989 88,475
6.	Total (Line 35)	,	,	19,429,324	19,508,621	19,877,398
	Net Premiums Written (Page 8, Part 1B, Column 6)					
7. 8. 9. 10.		3,906,402 13,759,891 (173,370)	3,807,891 13,308,516 (50,497)	3,799,596	3,845,123	3,837,289
12.	Total (Line 35)	18,584,941	18,033,181	17,684,137	17,918,468	18,026,474
	Statement of Income (Page 4)					
13. 14. 15.	Net underwriting gain (loss) (Line 8) Net investment gain (loss) (Line 11) Total other income (Line 15)	1,138,070 121,221	1,113,170 152,755	1,107,908		975,386 154,325
16. 17.	Dividends to policyholders (Line 17)	1,576,524	908,974	1,298,168	1,433,892	
18.	Net income (Line 20)	3,530,891	2,596,791	3,191,254	2,274,143	4,873,023
	Balance Sheet Lines (Pages 2 and 3)					
19. 20.	Total admitted assets excluding protected cell business (Page 2, Line 26, Column 3) Premiums and considerations (Page 2, Column 3) 20.1 In course of collection (Line 15.1)	253.102	130.984	124.376	39.833	157.985
21.	20.2 Deferred and not yet due (Line 15.2) 20.3 Accrued retrospective premiums (Line 15.3) Total liabilities excluding protected cell business (Page 3, Line 26)	14,512,460	14,390,057	14,593,230	13,763,368	14,012,480
22. 23. 24.	Losses (Page 3, Line 1) Loss adjustment expenses (Page 3, Line 3) Unearned premiums (Page 3, Line 9)	670,402 10,070,106	685,796 9,740,960	647,350 10,031,521	585,943 10,024,008	438,031
25. 26.	Capital paid up (Page 3, Line 30 and Line 31)	33,563,483	29,920,898	26,800,793	22,876,672	21,903,260
27.	Cash Flow (Page 5) Net cash from operations (Line 11)	2 250 607	2 705 220	3,965,423	3,292,078	A AEA 120
21.	Risk-Based Capital Analysis	3,230,007	2,700,020	3,300,420	3,292,010	4,404,120
28.	Total adjusted capital	33 563 <i>4</i> 83	20 020 808	26 800 703	22,876,672	21 903 260
29.	Authorized control level risk-based capital					1,535,372
	Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3) (Item divided by Page 2, Line 12, Column 3) x 100.0					
30. 31.	Bonds (Line 1) Stocks (Line 2.1 and Line 2.2)	16.1	18.3	21.9	17.7	
32. 33. 34.	Mortgage loans on real estate (Line 3.1 and Line 3.2) Real estate (Lines 4.1, 4.2 and 4.3) Cash, cash equivalents and short-term investments (Line 5)	3.5 6.4	3.8 9.4	4.2 5.8	5.0 14.7	
35. 36. 37.	Contact loans (Line 6) Derivatives (Line 7) Other invested assets (Line 8)			XXX	XXX	XXX
38. 39. 40.	Receivables for securities (Line 9) . Securities lending reinvested collateral assets (Line 10) . Aggregate write-ins for invested assets (Line 11)				1	l
41.	Cash, cash equivalents and invested assets (Line 12)					
	Investments in Parent, Subsidiaries and Affiliates					
42. 43. 44. 45.	Affiliated bonds (Schedule D, Summary, Line 12, Column 1) Affiliated preferred stocks (Schedule D, Summary, Line 18, Column 1) Affiliated common stocks (Schedule D, Summary, Line 24, Column 1 Affiliated short-term investments (Schedule DA Verification, Column 5, Line 10)	3,208,742	2,795,232	2,280,733	2,413,112	2,452,369
46. 47.	Affiliated mortgage loans on real estate					
48.	Total of above Line 42 through Line 47	3,208,742	2,795,232	2,280,733	2,413,112	2,452,369
49.	Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Column 1, Line 37 x 100.0)	9.6	9.3	8.5	10.5	11.2

FIVE-YEAR HISTORICAL DATA

(Continued)

		1 2011	2 2010	3 2009	4 2008	5 2007
	Capital and Surplus Accounts (Page 4)					
50.	Net unrealized capital gains (losses) (Line 24)	188,620	519,146	727,505	(1,308,004)	(58,588
51.	Dividends to stockholders (Line 35)					
52.	Change in surplus as regards policyholders for the year (Line 38)	3,642,583	3,120,105	3,924,121	973,412	4,694,042
	Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)					
53.	Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	195,730	53,302	86,432	240,222	635,428
54.	Property lines (Lines 1, 2, 9, 12, 21 and 26)	1,702,261	1,728,479	1,564,777	1,246,809	1,433,392
55.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	5,847,608	7,999,935	6,476,918	6,648,063	4,544,871
56.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	3,061			4,562	
57.	Nonproportional reinsurance lines (Lines 31, 32, and 33)					
58.	Total (Line 35)	7,748,660	9,781,716	8,128,127	8,139,656	6,613,691
	Net Losses Paid (Page 9, Part 2, Column 4)					
59.	Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)		53,302	86,432	240,222	259,422
60.	Property lines (Lines 1, 2, 9, 12, 21 and 26)	1,457,253	1,679,004	1,272,210	1,228,655	1,128,888
61.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	5,160,115	7,068,464	5,120,120	6,074,168	4,360,567
62.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)					
63.	Nonproportional reinsurance lines (Lines 31, 32, and 33)					
64.	Total (Line 35)	6,813,060	8,800,770	6,478,762	7,543,045	5,748,877
	Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
65.	Premiums earned (Line 1)		100.0	100.0	100.0	100.0
66.	Losses incurred (Line 2)	36.4	47.9	40.0	42.3	30.4
67.	Loss expenses incurred (Line 3)	8.2	6.8	8.2	6.6	4.6
68.	Other underwriting expenses incurred (Line 4)					l .
69.	Net underwriting gain (loss) (Line 8)					
	Other Percentages					
70.	Other underwriting expenses to net premiums written (Page 4, Line 4 plus Line 5 minus Line 15 divided by Page 8, Part 1B, Column 6, Line 35 x 100.0)	20.0		20.7		
71.	Laccas and loss expanses insurred to promitime carned /Dago / Line 2 plus Line 2 divided by					
	Page 4, Line 1 x 100.0)	44.7	54.7	48.2	48.8	35.0
72.	Page 3, Line 37, Column 1 x 100.0)	55.4	60.3	66.0	78.3	82.3
	One Year Loss Development (000 omitted)					
73.	Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11)	(604)	192	(90)	521	(305
74.	Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 73 above divided by Page 4, Line 21, Column 1 x 100.0)	(2.0)	0.7	(0.4)	2.4	(1.8
	Two Year Loss Development (000 omitted)					
75.	Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12)	354	(243)	476	(318)	(21
76.	Percent of development of losses and loss expenses incurred to reported policyholders'		, ,		, ,	·
	Column 2 x 100.0)					

Note: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? If no, please explain:

Yes () No ()

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

	Premiums Earned Loss and Loss Expense Payments						12					
Years in Which Premiums	1	2	3	Loss Pa	yments	Defense Containmer		Adjusting Payn		10	11 Total	Number of Claims
Were Earned and Losses Were Incurred	Direct and Assumed	Ceded	Net (Columns 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	Reported - Direct and Assumed
1. Prior 2. 2002 3. 2003 4. 2004 5. 2005 6. 2006 7. 2007 8. 2008 9. 2009 10. 2010 11. 2011	XXX 	XXX 1,510 1,782 1,824 1,452 1,508 1,665 1,606 1,787 1,186 1,504	X X X 	12,807 11,287 6,970 5,849 5,476 6,752 7,505 9,702 7,763 6,129	2,995 2,194 504 389 194 621 548 2,181 261	6 203 249 152 246 276 197 267 106 126 19	193 140 8 93 111 45 92 577 2	1,417 1,403 951 819 894 859 1,025 1,261 947	91 262 120 30 3 117 35 79 12	123 67 69 137 85 50 57 7		XXX XXX XXX XXX XXX XXX XXX XXX XXX XX
12. Totals	XXX	XXX	XXX	80,240	10,453	1,847	642	10,550	756	615	80,786	XXX

		Losses	Unpaid		De	efense and Cost C	Containment Unpa	aid	Adjusting and	Other Unpaid	23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22		Total Net	Number of Claims
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated		Outstanding - Direct & Assumed
1	5		50		20		25		1			101	XXX
3					3				2			5	XXX
5 6			 1						2				XXX XXX
7 8	321	217		7	12	1	<u>4</u>	6	20				XXX
9 10 11		23	104 320 734			4				11			XXX XXX XXX
12	1,944	522	1,220	354	103	8	524	280	342	11		2,958	XXX

	Total Loss	es and Loss Expense	es Incurred	Loss and (Incu	I Loss Expense Per rred/Premiums Ear	rcentage rned)	Nonta Disc		34 Inter	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	31 32 33 - C F Loss Par	- Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid	
1	XXX 14,427 12,944 8,073 6,914 6,652 7,809 9,164 11,305 9,638 9,737	XXX 3,279 2,596 632 512 211 783 906 2,404 513 1,190	XXX 11,148 10,348 7,441 6,402 6,441 7,026 8,258 8,901 9,125 8,547	XXX 	X X X 217.2 145.7 34.6 35.3 14.0 47.0 56.4 134.5 43.3 79.1	XXX 					
12	XXX	XXX	XXX	XXX	XXX	XXX			XXX	2,288	670

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

	II	NCURRED NET	LOSSES AND D	EFENSE AND C	OST CONTAIN	MENT EXPENSE	S REPORTED A	AT YEAR END (\$000 OMITTED))	DEVELO	OPMENT
Years in Which	1	2	3	4	5	6	7	8	9	10	11	12
Losses Were Incurred	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	One Year	Two Year
1. Prior	606	613	640	764	961	921	885	902	917	1,011	94	109
2. 2002	9,834	9,832	9,838	9,837	9,829	9,829	9,822	9,822	9,822	9,822		
3. 2003	XXX	9,088	9,215	9,190	9,251	9,178	9,182	9,172	9,170	9,205	35	33
4. 2004	XXX	XXX	6,558	6,750	6,694	6,647	6,626	6,615	6,610	6,610		(5)
5. 2005	XXX	xxx	xxx	5,569	5,497	5,514	5,593	5,628	5,614	5,613	(1)	(15)
6. 2006	XXX	XXX	xxx	xxx	5,626	5,464	5,432	5,510	5,528	5,548	20	38
7. 2007	XXX	XXX	xxx	xxx	XXX	5,925	6,459	6,305	6,293	6,284	(9)	(21)
8. 2008	XXX	xxx	xxx	xxx	xxx	xxx	7,449	7,404	7,251	7,248	(3)	(156)
9. 2009	XXX	XXX	xxx	xxx	XXX	XXX	XXX	7,313	7,658	7,684	26	371
10. 2010	XXX	XXX	xxx	xxx	XXX	XXX	XXX	XXX	8,840	8,074	(766)	XXX
11. 2011	XXX	XXX	xxx	xxx	xxx	xxx	XXX	xxx	xxx	7,425	xxx	XXX
										12. Totals	(604)	354

SCHEDULE P - PART 3 - SUMMARY

	CUML	ED)	11	12								
Years in Which Losses Were Incurred	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
Illiculted	2002	2003	2004	2000	2000	2001	2000	2009	2010	2011	LUSS Fayillelli	LUSS Fayillelli
1. Prior	000	311	470	573	828	889	857	887	905	911	XXX	XXX
2. 2002	9,699	9,786	9,813	9,818	9,820	9,820	9,820	9,822	9,822	9,822	XXX	XXX
3. 2003	XXX	7,130	8,663	8,855	9,094	9,172	9,172	9,172	9,170	9,202	XXX	XXX
4. 2004	XXX	XXX	5,029	6,354	6,499	6,601	6,608	6,607	6,610	6,610	xxx	XXX
5. 2005	XXX	XXX	XXX	4,353	5,053	5,324	5,472	5,611	5,613	5,613	xxx	XXX
6. 2006	XXX	XXX	XXX	XXX	4,251	5,115	5,287	5,435	5,516	5,547	xxx	XXX
7. 2007	XXX	XXX	XXX	XXX	XXX	4,477	5,928	6,152	6,260	6,283	xxx	XXX
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	5,973	6,947	7,047	7,132	xxx	XXX
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,223	7,349	7,570	XXX	XXX
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,511	7,626	xxx	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,581	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)												
Years in Which Losses Were	1	2	3	4	5	6	7	8	9	10			
Incurred	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011			
1. Prior										75			
2. 2002	28	20	16	15	9	9	2						
3. 2003	XXX	402	320	164	110	9	10						
4. 2004	XXX	XXX	358	120	159	26		5					
5. 2005	XXX	XXX	XXX	476	200	14	20	6	1				
6. 2006	XXX	XXX	XXX	XXX	382	249	102	29	1	1			
7. 2007	XXX	XXX	XXX	XXX	XXX	434	261	140	31	1			
8. 2008	XXX	XXX	XXX	XXX	xxx	xxx	854	373	83	1			
9. 2009	XXX	XXX	XXX	XXX	XXX	xxx	XXX	541	262	64			
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	966	257			
11. 2011	XXX	XXX	XXX	XXX	XXX	xxx	XXX	xxx	XXX	711			

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

		Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to	5 Direct Losses	6	7	8 Finance and	9 Direct Premium Written for Federal
States, Etc.	Active Status	2 Direct Premiums Written	3 Direct Premiums Earned	Policyholders on Direct Business	Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Service Charges Not Included in Premiums	Purchasing Groups (Included in Column 2)
. Arizona AZ	N								
. California CA	N								
. Connecticut CT . Delaware DE	N								
. Florida FL . Georgia GA	N								
. Idaho ID . Illinois IL	N								
. lowa IA	N								
. Louisiana LA	N								
. Maryland MD . Massachusetts MA	N								
. Minnesota MN . Mississippi MS	N								
. Montana MT . Nebraska NE	N								
. New Hampshire NH	N								
. New Mexico NM . New York NY	N								
North Dakota ND Ohio OH	N								
. Oregon OR . Pennsylvania PA	N								
. South Carolina SC	N								
. Tennessee TN . Texas TX	N								
. Vermont VT . Virginia VA	N								
. Wisconsin WI	L N	19,993,667	19,631,826		7,748,660	6,908,013	3,163,757	144,124	
. American Samoa AS . Guam	N								
. Puerto Rico	N								
. Canada CN . Aggregate other alien OT	N								
. Totals	(a) 2	19,993,667	19,631,826		7,748,660	6,908,013	3,163,757	144,124	
TAILS OF WRITE-INS	XXX		I .						l .
02. 03. 98. Summary of remaining write-ins	XXX								
for Line 58 from overflow page	XXX								
(Line 58 above)	XXX								

⁽a) Insert the number of "L" responses except for Canada and Other Alien .

Farmers & Mechanics Mutual Insurance Fed ID: 55-0168389 NAIC: 36315

Parent Company

Farmers & Mechanics Fire and Casualty Insurance Co. Fed ID: 03-0599676 NAIC: 12611

100% Owned

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